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Ministry Overview

The year 1987/88 was an especially rewarding year for the Ministry of Economic Development.

The Ministry was extensively restructured in 1987 to supply a major increase in business-related services.

The restructuring was designed, in part, to facilitate serving the private sector through:

- Providing information in the most efficient and timely manner;
- Being responsive to the needs of the private sector; and,
- Aggressively promoting and marketing the existing assets and investment attractions of British Columbia.

The restructuring also resulted in the coordination of the Ministry's many provincial, national and international activities with a special emphasis on measuring the results of its programs.

The program results showed that the Ministry achieved a considerably better delivery of information to businesses and to the public by streamlining its operations, by expanding computer-based systems and by increasing public awareness of Pacific Canada's many private sector opportunities.

To reflect the changing nature of the international marketplace and, as a consequence, changes in British Columbia's economy, the Ministry emphasized four fast-growing industry sectors: electronics, aerospace, subsea and value-added wood products.

Other Ministry initiatives included:

- A major new Ministry program was Export B.C. which paved the way for an export strategy centre to assist companies with their international marketing.
- An extensive study commissioned by the Ministry, the first of its type by a province in Canada, recommended the export strategy centre take the form of a crown trading development corporation. The Ministry began preparations to establish the corporation during the 1988/89 fiscal year.
- The Ministry began negotiations with Singapore to set up a joint trade office there in 1988/89, and began preparations to open a trade and tourism office in Southern California in 1988/89.
- The Ministry arranged for assistance to the British Columbia Chamber of Commerce in setting up a trade office in Taiwan.
- The Ministry established the British Columbia Enterprise Centre to improve the efficiency in delivery of Ministry services.
- The Ministry launched a successful Home-Based Business Program which attracted an average of over 2,000 enquiries a month.
- The Ministry followed through with plans made in 1986/87 to capitalize on the experience gained from Expo '86 with a series of trade shows, trade missions and international marketing initiatives.
- The Ministry continued to press the Government of Canada for changes to guidelines for business immigrants in order for British Columbia to receive full benefit from this federal program.
- The Ministry was successful in encouraging the Government of Canada's Ministry of Supply and Services to facilitate bidding by British Columbia companies for federal purchasing contracts.
- The British Columbia Purchasing Commission division of the Ministry pursued its policy of encouraging B.C. companies to manufacture for and supply services to the B.C. Government in competition with other Canadian companies.
- The Ministry continued its active participation in the Government of British Columbia's support for a Free Trade Agreement with the United States of America.

Finally, the Ministry developed a Business Plan – along the lines of a private sector business plan – for the 1988/89 year. The Ministry's restructuring was designed to meet the goals of the Business Plan for 1988/89, as well as the requirements of many new initiatives introduced in 1987/88.

Business Promotion Division

Business Promotion Division

The Business Promotion Division (formally Programs and Business Development) was at the forefront of many of the Ministry's endeavours during 1987/88 to foster the growth of all types of business activity and to market business opportunities in all regions of British Columbia. This involved responding positively to domestic and international investors, entrepreneurs and other clients and acting as a catalyst by working cooperatively with a wide range of public and private agencies.

The Division designed, delivered and coordinated a variety of actions and services that supported new private-sector investment and business growth, particularly in smaller regional centres.

In addition, the Division helped raise the profile of British Columbia as a positive place to invest and promoted the Province through marketing initiatives targeted at local, national and international enterprises seeking new investment locations.

There were five Branches in the Division, each pursuing specific aspects of the Division's mandate. These aspects and the resulting achievements are outlined in greater detail on the following pages. In addition, the Division had a lead role within the Ministry for the following sectors: Value-Added Wood Products; Agriculture and Fisheries; Marine Industries; Tourism and Cultural Industries; and Financial Services.

To facilitate the growth of the value-added wood products sector of the forest industry, the Division took steps to demonstrate the potential economic benefits for the industry through the manufacture of secondary wood products.

Initatives included:

- Working closely with the Department of Regional Industrial Expansion (DRIE) and the Council of Forest Industries of British Columbia to develop the scope of a possible value-added wood products market development program for British Columbia's secondary producers.
- Initiating and managing jointly with DRIE and the Ministry of Forests a detailed study to quantify the potential revenues and profits through the production of secondary wood products, identifying benefits that are attainable through increased recoveries and product diversification. A group of seminars is planned to take this message directly to the industry following the distribution of the report's findings.
- Working with the Ministry of Forests to identify mechanisms which could be adopted within the newly approved Forest Amendment Act (Bill 28, 1988) to make more wood available to secondary manufacturers, and on a joint marketing initiative to inform secondary wood product investors of the availability of the wood resources throughout each region of the Province.
- Making plans to use participation in the Wood Expo '88 Trade Show (September, 1988) to demonstrate the range of opportunities available to British Columbia's forest industry for the production of value-added wood products.
- Developing up-to-date promotional literature, to foster British Columbia's value-added wood products industry.
- Leading a trade mission to Germany to introduce British Columbia's secondary producers to members of the Wooden Window Manufacturing Association interested in purchasing metric window components. A number of German firms have subsequently returned to British Columbia to examine potential joint venture opportunities.
- Developing plans for a trade mission to Japan for the spring of 1989 to introduce British Columbia producers to opportunities to produce specialty lumber products for the traditional Japanese housing market. This market accounts for 600,000 of Japan's 1,400,000 yearly housing starts and is 15 times larger than the current market for 2×4 western style platform housing.

British Columbia Enterprise Centre

In June, 1987, the Ministry opened the B.C. Enterprise Centre – a "one-stop" shopping centre for information on government services for business. The Centre was an immediate success, drawing an average of 11,700 business inquiries a month; over five times the number the Ministry was receiving before it opened.

The Centre's services fell into four general areas: export marketing; domestic marketing; creation of new business; and business counselling.

The Enterprise Centre is located in buildings around the Plaza of Nations on the former Expo site. Its basic services with detailed information on Ministry programs are available to the public in person, by telephone, and computer.

Info Business Centre

The new Info Business Centre opened as part of the B.C. Enterprise Centre and its services were expanded from the previous Small Business Services Branch to include:

- Business information and advisory services;
- A comprehensive business research library;
- Product displays for made-in-B.C. goods;
- Regional, national and international business opportunities; and,
- Information officers from:
  Ministry of Economic Development
  Discovery Innovation Centre
  B.C. Purchasing Commission

Central Statistics Bureau
Supply and Services Canada

British Columbia Business Network

The new British Columbia Business Network had three parts: an electronic network, the Alumni Program and the Ambassador Program.

The electronic network – the first of its kind in North America – offered computer-accessible information which included: B.C. Statistics; International Business Opportunities Network; SupplyNet; Calendar of Events; and Federal Projects.

This electronic information service proved to be an effective technology for promoting world trade, with the underlying purpose of all of its activities being to encourage the establishment and further development of businesses in B.C. The service was opened in March with about 5,000 information listings and planned to expand to 45,000 by August, 1988.

The other two parts of the British Columbia Business Network consisted of:

The Alumni Program – Enlisting the help of graduates from B.C.'s three universities who live outside of Canada. In 1988, the Minister held Alumni Program meetings in Tokyo and Hong Kong.

The Ambassador Program – Enlisting the help of British Columbians who travel extensively as part of their business. In its first months of operation, the program raised several million dollars in conventions for the Vancouver Trade and Convention Centre.

Business Start-up Services

During 1987/88, the Business Start-Up Service Group, working directly through other development agencies, initiated and delivered five activities:

- Business Planning Workshop was designed to provide both an overview of entrepreneurship and the steps of planning and launching a business. Approximately 1,500 potential entrepreneurs and 1,400 high school business students participated in these workshops which led to 350 individual business plans being formulated.
- How to Identify and Research Business Opportunities Workshop provided sources of information on how to research the market, business environment, competition, operating strategies and resource materials, capital and skills. Field tests indicated a high level of participant acceptance. The initiative may be launched Province-wide.
- Young Entrepreneur Program was an intensive entrepreneurial training program targeted at young adults. Initial indications were that up to 55 new businesses and 98 new jobs would be created as a result of the Program.
- Local Enterprise Research Network (LERN) Program promoted greater research capability into business opportunities and operated through local libraries. It was introduced into six libraries.
- University Career Days successfully promoted an awareness of entrepreneurship as an alternative career to some 900 students at Simon Fraser University, the University of Victoria and the University of British Columbia.

Financial Evaluation Branch

During the year, the Travel Industry Branch and the Industrial Programs Branch were amalgamated with the Financial Evaluation Branch, to better coordinate programs aimed at stimulating private sector investment in company start-ups and expansion.

The Branch was the focal point in the Province for implementing a number of federal-provincial and provincial incentive programs. In addition, the Branch provided financial evaluation and advisory services to other Ministries for projects and economic initiatives.

The Branch consisted of three groups: Project Evaluation, Independent Business Finance, and Special Projects and Tourism Development.

- The Project Evaluation Section evaluated medium and large scale industrial projects from financial and economic perspectives, provided advice, information and financial incentives to companies planning investments, and helped with financial modelling. It delivered programs under the $125 million federal-provincial Industrial Development Subsidiary Agreement, the $30 million Tourist Industry Development Subsidiary Agreement, and administered the $14.5 million federal-provincial cost sharing agreement for the construction of the Victoria Convention Centre. The Section was instrumental in bringing about a number of major, favourable investments decisions in British Columbia, including:

  Bradford Enercon Inc., Grand Forks
  Canadian Autoparts Toyota Inc., Delta
  Canpar Industries, Grand Forks
  Coastland Wood Industries Ltd., Nanaimo
  Elk Wood Specialties Ltd., Maple Ridge
  Gregory Forest Products Limited, Ft. St. James
  Rogers Foods (1982) Ltd., Armstrong
- The Independent Business Finance Section assisted the small business sector by delivering small business incentive programs, particularly the $50 million Small Business Incentives Subsidiary Agreement. Under the programs, 72 small businesses received assistance during the year. The businesses were involved in manufacturing, processing, advanced technology and aquaculture. To date, a total of 202 individual firms have been assisted with loans totalling $9 million which will help to create an estimated 2,015 permanent jobs and lever an additional $22.5 million in private sector capital investment. Under one of the programs administered on behalf of the Province by the British Columbia Enterprise Corporation, five new projects were approved for $1.6 million during the year. Since it was established, the Program has provided 12 companies with $4.2 million in loans that will generate $11.6 million in additional private investment and create 156 new permanent jobs.

Business Immigration Branch

In recognition of the importance of attracting investment capital, the Business Immigration Branch was formed. While immigration is regulated under the federal Immigration Act, the Act also gives British Columbia considerable scope and authority to determine what constitutes acceptable business immigration to the Province. The Branch was responsible for two specific categories of business immigration: entrepreneurs who wish to come to Canada and actively manage their business; and investors wishing to immigrate to Canada on the strength of a major investment in a British Columbia business.

During the 1987 calendar year, 679 entrepreneurial cases were received by the Ministry for evaluation from Canadian Immigration Offices worldwide. In addition, 1,695 business immigration counselling interviews were conducted and the Branch participated in numerous seminars on business immigration throughout the Province. Total funds of $724 million were declared by the 561 entrepreneurs who received visas to come to British Columbia during 1987. These entrepreneurs undertook to create a total of 2,726 jobs, and to preserve 563 existing jobs, a dramatic increase over 1986 when only 391 cases declared total funds of $273 million. British Columbia received 58 percent of the total investors visaed to Canada in 1987. This represents a minimum of $20 million committed investment and total declared funds of $123 million.

Regional Development Branch

The Regional Development Branch was created from the former Community Economic Development Branch with a mandate to assist local organizations and individuals to carry out effective economic development at the local and regional levels.

During 1987/88, through education, and in cooperation with Douglas College, the University of Victoria and other post-secondary institutions, course curricula and seminars on local development were provided to community leaders and others in the field. Themes covered this year included: practical steps to expand local economic opportunities and import replacement. The Branch developed the Home-Based Business Program to increase the awareness of this potential economic growth area.

A sense of community entrepreneurship was provided to community leaders through the "Marketing Your Community" series of public seminars which were held in communities in the Northwest and Lower Mainland. This was a cooperative venture between the Ministry, B.C. Telephone Company, Pacific Northern Gas and Inland Natural Gas.

The Branch also promoted community investment opportunities through two projects: "Venture Inland" and "Enterprise Northwest."

A series of "Action for Enterprise" business development conferences held in a number of regional centres throughout the year also acted as a motivational stimulus to local communities.

Through the Community Organizations for Economic Development (COED) Program and its support of full-time Economic Development Officers and local volunteer Economic Development Committees, the Branch provided support for locally based and directed initiatives. COED provided cost-shared support to 64 economic development organizations, representing over 100 communities from all regions of the Province, and complementary approval of 118 COED Special Projects for community based activities.

Business Development Branch

This new Branch was established in 1987 to bring together a pool of special expertise to market British Columbia as an attractive place to locate and do business and to act as a catalyst for innovative projects and actions that require a cooperative approach between the public and private sectors.

In its unique role, the Branch's objectives focused on addressing impediments to the realization of new investment in the province and marketing new business opportunities to prospective investors, both at home and abroad.

A major thrust of this Branch was the coordination of the ten-year federal-provincial Economic and Regional Development Agreement (ERDA). During the year, the Branch was involved in reviews of federal-provincial initiatives, with a view to restructuring their activities to be better attuned to the government's present priorities. The Branch also served as the focal point for coordinating the government's liaison with the British Columbia Enterprise Corporation and the Discovery Foundation on a number of major investment and business development projects.

Much of the Branch's focus in 1987/88 was on helping to develop strategic responses to government-wide policy issues and to formulate new approaches to a wide range of business and industrial issues and challenges including:

- Premier's Economic Advisory Council
- Economic Development and Diversification Strategies
- Incentive Policy and Program Results
- Regional/Small Business Support Mechanisms

In terms of its sector responsibilities, the Branch

took a pro-active role in encouraging the growth and expansion of the value-added wood products sector. This included conducting several trade development missions to Europe and Asia, facilitating greater industry-government cooperation through the Minister's Value-Added Wood Products Advisory Committee and helping identify new regional investment opportunities for various firms.

Under the federal-provincial-industry Cooperative Overseas Market Development Program (COMDP), major achievements were made in Japan. Thanks to the efforts of this initiative, the Council of Forest Industries of British Columbia (COFI) can now grade and certify plywood destined for Japanese markets and this will give British Columbia companies a competitive edge.

Branch staff have also actively pursued new market opportunities, at home and abroad, for British Columbia food products. In cooperation with the Ministry of Agriculture and Fisheries and the federal government, various food and seafood exporters attended trade fairs and followed up on possible sales. In addition, Branch staff worked closely with the ship building and other marine industries to obtain new orders, including major federal defence contracts.

Equity Programs Branch

The Equity Programs Branch is responsible for developing and delivering programs aimed at encouraging equity investment in British Columbia companies.

During 1987/88, some 30 new venture capital corporations were approved and registered with the provincial government, bringing the total registrations to date to 75. New investment in 1987/88 was $7.8 million.

Amendments were made to the Small Business Venture Capital Act broadening the scope of the Program by expanding the list of eligible activities and reducing the minimum investment required to comply with the Act.

In 1987/88, the Branch took a leading role in developing innovative mechanisms to encourage the availability of venture capital to British Columbia businesses. The proposed Employee Share Ownership Program was the subject of considerable public consultation and this work was facilitated through a private-sector advisory group. In addition, Branch staff examined ways and means of facilitating the formation of local pools of risk capital.

Branch staff continued efforts to match investment opportunities with all available sources of equity capital.

Seminars were held in all regions of the province to help both businesses and potential investors to better understand the nature of equity investing and potential sources of risk capital.

International Marketing Division

International Marketing Division

The Division managed the Province's overseas offices and served as the principle link between the Ministry, the British Columbia business community and the representatives of provincial and federal foreign offices involved in export development and investment promotion.

The Division was responsible for international marketing activities and coordinated the Ministry's incoming and outgoing missions and trade programs in export markets. Programs administered included the Export Assistance Program and the Technical Assistance Program. Sectoral responsibilities assigned to the Division were: Aerospace; Apparel and Textiles; Plastics; Software; and Manufacturing.

Specific marketing objectives established for the Division were: to promote British Columbia as an attractive place to do business; to generate maximum economic benefits for the Province; to assist British Columbia companies to increase their sales penetration into markets outside the Province; to maintain long-term relationships with our markets; and to promote British Columbia in competition with other provinces and states in securing new investments.

To meet these objectives, the Division increased B.C.'s market presence by expanding the network of overseas offices, organizing targeted incoming and outgoing trade missions aimed at introducing B.C. business to key foreign markets, and focussing on specific opportunities in priority industry sectors.

During the year, applications from 621 companies for Export Market Assistance, totalling $820,762, were approved which resulted in direct sales exceeding $42 million, and anticipated sales over 12 months of more than $532 million. Plant visits for the purpose of on-site counselling were provided to 717 companies during the fiscal year. In-office counselling was given to 731 businessmen.

The aerospace industry sector was reviewed in terms of its strengths and weaknesses and a number of strategic objectives were developed. In the 1987/88 year, the program from January 1988 focussed on developing a liaison with the industry and the British Columbia Aviation Council, designing the trade and marketing program for the 1988/89 year, analyzing of several major offshore investment proposals, and working jointly with industry to form a consortium to bid on portions of a $2 billion helicopter project, the New Shipborne Aircraft Program.

From April 1987 to January 1988, the Division was active in advising British Columbia firms of the opportunities in Canada's Space Program and ensuring that the companies were included in the source listings for bidding on contracts. The Division also organized a visit for the Minister to meet with the President of Boeing Commercial Airplane Company to discuss joint projects and contracts with the British Columbia business and research community.

The apparel and textile industry was assisted during the year through a series of initiatives by the Division which included:

- A successful investment promotion seminar directed toward Hong Kong apparel manufacturers', resulted in approximately $5 million in new apparel manufacturing facilities and 200 new jobs in British Columbia;
- Eight B.C. designer/manufacturers participated in a Ministry-sponsored trade exhibit at the Festival of Canadian Fashion in Toronto. In excess of $300,000 in sales was made mostly to new United States accounts. The opportunity for sustained business in the export market for these companies may translate into $1.5 million over the next 12 months;
- A full-scale fashion show production was presented to spouses of Heads of State as part of the Commonwealth Summit Business Program to demonstrate to an international audience the high quality and level of design of the British Columbia apparel industry and to heighten awareness of British Columbia as a fashion centre.

Other activities and initiatives undertaken by the Division included targeted trade missions, a new trade office in Taiwan, export seminars and the Ambassadors Program.

During the year, as part of restructuring, the Division was organized into three geographic branches: Asia/Pacific; Europe/Middle East/Latin America; and Canada/U.S. Each of these:

- Identified and qualified international market opportunities through a program of market investigation visits and by the collection of information from British Columbia and Canadian government offices overseas;
- Developed a program of highly focussed trade initiatives in support of British Columbia companies which included incoming and outgoing trade missions and trade fairs;
- Counselled the private sector on all facets of international trade and encouraged a professional approach to exporting;
- Promoted and administered the Export Assistance Program to assist and encourage companies to respond to opportunities outside the Province;
- Maintained current directories of industry export capability, geographic information and export opportunities.

Asia/Pacific Branch

The Asia Pacific Branch of the International Marketing Division developed market information and intelligence based on a knowledge of the Province's industrial capability and market demand. The opportunities identified were referred

to businessmen through counselling and the developing of international marketing strategies.

Among the successes in trade and investments were:

- Oji Paper - $375 million invested in a British Columbia pulp expansion and the creation of a new paper mill;
- Hong Kong investment - $5 million invested in new apparel manufacturing facilities in the Province;
- Pacific Log Homes - $2 million sale to Japan;
- MacDonald Dettwiler and Associates - $4.6 million contract in Korea.

Branch personnel were fully committed to organizing trade-related events associated with the Commonwealth Heads of Government meeting which Vancouver hosted in the summer of 1987.

The Branch coordinated appointments, background data and trade strategy for the Premier's first trip to Japan and Hong Kong, October 25 to November 4, 1987. The Premier was the first foreign dignitary to officially meet the new Japanese Prime Minister Nobora Takeshita.

Tokyo Office

The Tokyo Office was established in early 1987. The office worked closely with the Canadian Embassy, Japanese business and government communities and the Provincial Government on virtually all matters with respect to the British Columbia-Japan relationship, but the focus of its activities was in the area of direct investment and, to a more limited extent, the support of increased trade activities and business immigration.

The Tokyo Office was successful in having directly influenced in excess of $50 million of new business in the Province during the 1987/88 fiscal year, including projects in the areas of immigration, education, value-added wood products, subsea, tourism development, agriculture and food products. Through its decision-influencing contacts in corporations, other than those contemplated in the aforementioned $50 million, the Tokyo Office has been involved in a further $425 million amounting to a total of $475 million of announced British Columbia projects for the period.

Hong Kong Office

During 1987/88, the Hong Kong Office was responsible for $2 million in direct investment in B.C. and $12 million in investment through the Business Immigration Program. The office dealt with a total of 364 enquiries related to trade, investment, business immigration and general information about B.C. During the year, representatives of nine B.C. companies used the Office's services while visiting Hong Kong.

Seoul Office

During the year, the Seoul Office pursued increases in B.C. exports to Korea in the following key sectors: wood products (timber frame housing and remanufactured wood products), marine and subsea, telecommunications and electronics, and port and other transportation services.

In business immigration, Korea was the fastest growing source of business immigrants to British Columbia, climbing from nil two years ago to over 60 applicants in this fiscal year.

In Corporate Investment, the Office encouraged Korean resource-dependent companies, with the encouragement of the Korean government, to consider British Columbia's natural resources and strategic location with excellent sea access to Korea.

Additional activities during the 1987/88 year were focussed on raising the profile of the Office, through the promotional efforts of the staff, on promoting timber frame housing in cooperation with the Council of Forest Industries, and on supporting the efforts of British Columbia Port Authorities and other transportation services to sell their services.

Europe/ Middle East/ Latin America Branch

The Europe/Middle East/Latin America Branch assisted British Columbia firms in their endeavours to expand their export activities in these markets and to promote the acquisition of new technology through direct investment, joint ventures, licensing agreements and business immigration. The Branch also helped to increase the awareness of the interests and capabilities of British Columbia industries in these markets as well as provide information on growth opportunities and to act as a link between industry and government to achieve their mutual objectives.

The Branch was responsible for:

- The Ministerial mission to Western Europe and Czechoslovakia in September, 1987 in support of British Columbia firms involved in forestry (H.A. Simons and Kockums) and oil technology (Mohawk oil-refining). (This resulted in a $4.2 million contract to Kockums Cancar.)
- Organizing seminar activity related to opportunities that will flow from the Channel Tunnel project, linking Britain and France;
- Hosting the Swedish trade delegation, headed by their Royal Highnesses the King and Queen of Sweden;
- Continuing support for closer commercial links between a German window manufacturing group and a number of British Columbia manufacturers in terms of technology transfer and export of remanufactured wood products;
- Identifiying specific joint venture opportunities between foreign investors and B.C. firms;
- Making a series of specialized presentations to numerous European-based agencies, organizations, etc., as well as individual firms on British Columbia capabilities.

Through the Export Assistance Programs in 1987/88, the Branch assisted in direct sales of $47.58 million, with 12 month sales expectations of $76 milion, involving 73 companies.

B.C. House, London

The fiscal year 1987/88 saw the retirement of Mr. Alex Hart, Q.C. as Agent General for the Province of British Columbia in the U.K. and Europe and the appointment of Garde B. Gardom, Q.C. as his replacement.

A member of the British Columbia Legislature from 1966 to 1986, Mr. Gardom was appointed Attorney General in 1975 and became Minister of Intergovenmental Relations in 1979. He was Government House Leader from 1977 to 1986, Chairman of the Legislative and Constitution Committees and a member of Treasury Board Planning and Priorities Committee, and Social Services Committee. In 1986 Mr. Gardom chose not to run for reelection.

During 1987/88, B.C. House in London assisted with exports from British Columbia valued at $8 million, investment totalling $19 million and immigration investment totalling $25 million.

The office dealt with 1,247 inquiries related to trade, investment, business immigration and general information about B.C. The number of inquiries pertaining to business immigration was 349, the greatest number of all B.C. overseas offices.

In addition, upgrading of equipment and facilities was initiated at B.C. House, including computerization.

Dusseldorf Office

Also under Mr. Gardom's jurisdiction is British Columbia's office in Dusseldorf, Germany, which completed its first full fiscal year of operation in 1987/88. Highlights included the Premier's visit to Munich in February 1987, and the Minister of Economic Development's visit to Czechoslovakia and West Germany. Both these sessions were seeking business for B.C. and supporting several B.C. firms which were negotiating contracts.

Also raising the profile of B.C. in Europe was the joint visit of the Ministers of Finance, Agriculture and Education.

During the year, a proactive program of promotional business meetings was undertaken by the European offices to raise the profile of British Columbia as a location with sound business potential, and to highlight specific opportunities in the Province. These promotional events were held in Belgium, France, Finland, Norway, United Kingdom, Netherlands, Italy, Denmark, Switzerland, Germany, and Austria.

During 1987/88, the Office assisted with immigration investment totalling $10 million, dealt with a total of 876 inquiries related to trade, investment, business immigration and general information about B.C. During the year, representatives of 14 B.C. companies used the office's services while visiting the Federal Republic of Germany.

Canada/ U.S. Branch

During the year, the many activities of this Branch included projects such as outgoing food and fish missions to California, the Pacific Northwest and Boston; a major promotion at the Canadian Festival of Fashion in Toronto; and Industry briefings on major federal government procurement projects. The missions resulted in estimated sales of $20 million. The Branch was also responsible for a number of other incoming and outgoing trade and investment missions.

One of the activities of the Canada/U.S. Branch was handling the export assistance programs for individual companies. During the year, the Branch assisted a total of 449 companies to extend their exports to the United States and other parts of Canada. Direct sales totalled more than $24 million, with 12 month sales expectations of over $352 million.

The highly successful New Exporters to Border States Program continued with more than 100 companies being introduced to the U.S. market. Sectors covered included building materials, giftware, food and high technology products.

The Branch funded and coordinated a study of the B.C. software industry in cooperation with the Software Development Association.

Preparations were made by the Branch to open a trade office in the Los Angeles area in 1988.

Ottawa Office

The Ottawa Office was responsible for bringing almost $18 million of new federal procurement business to B.C. for the year 1987/88. This amount represents both sales to government, as well as research and development funding.

The Ministry and its Ottawa Office also worked closely with the Industry Development Association of B.C. and co-sponsored two conferences, with the objective of increasing the federal government representatives' knowledge of B.C. industry capabilities and updating B.C. companies on federal government projects and programs. One of the conferences was held in B.C. in May, 1987, the other was held in Ottawa in November, 1987.

The Ottawa Office was responsible for a number of briefings to British Columbia industry by potential contractors for major federal Crown projects. These included B.C. subcontracting opportunities such as the New Shipborne Aircraft, the Main Battle Tank Replacement, and the Mine Countermeasures Program. The Office led a group of 6 companies to ARMX '87, a Byannual armed forces defence show in Ottawa.

Economic Diversification and Policy Division

Economic Diversification and Policy Division

The Economic Diversification and Policy Division served the Provincial Government by advising on economic development strategy, by undertaking economic analysis and by providing policy proposals and analyses. It also evaluated major industrial project proposals and participated in negotiating direct and indirect government support that may be required to advance them.

The Division had four branches: Trade Policy; Technology and Services; Resources and Infrastructure; and Industrial Diversification and Strategy.

Trade Policy Branch

The Trade Policy Branch developed and acted upon a work program for 1987/88 aimed at achieving the following broad objectives:

- To improve and expand export market access for British Columbia businesses, thereby increasing the contribution made by trade to the provincial economy.
- To enhance trade capabilities and potential through:
  - the development of export promotion strategies;
  - the development and dissemination of trade intelligence and analyses;
- To represent the Province's trading interests through:
  - participation in federal/provincial processes to develop strategies and mandates for trade liberalization initiatives (i.e., bilateral and multilateral trade negotiations);
  - development of provincial strategies and positions with respect to trade actions launched by the British Columbia private sector against foreign trade practices or brought against provincial interests by foreign trading partners.
- To promote British Columbia interests and trade objectives in the development of Canada's international trade policy.
- To ensure that the development of provincial economic policy is consistent with our international trade obligations so that government programs are not subject to attack by the trade remedy actions of our trading partners.

In pursuing these trade policy and promotion objectives, the Branch worked actively with other government Ministries and agencies as well as the private sector. Major highlights and priority areas of attention in the Branch's 1987-88 work program included:

Canada-U.S. Free Trade Negotiations

The Branch coordinated the Province's participation in a federal-provincial consultative process on the Canada-U.S. free trade negotiations. This work involved participation in an extensive series of federal-provincial meetings including preparations for several First Ministers meetings. At an officials level, regular meetings were held between Branch/Ministry officials and the federal trade negotiating team. Such meetings included the formal federal-provincial roundtable (Continuing Committee on Trade Negotiations chaired by Ambassador Simon Reismen) and meetings on specific issue negotiation areas.

Within the provincial government, the Branch coordinated input from other Ministries on the trade negotiations and formulated provincial negotiating positions for recommendation to Cabinet and transmission to the Federal negotiator.

The Branch conducted an extensive round of consultations with the private sector to confirm internal analyses of industry/sectoral impacts of bilateral free trade and to supplement understanding of private sector positions for incorporation into provincial position-setting process. The consultations were initiated by an invitation to participate from the Minister to business associations, labour unions, consumer groups and individual companies. The results of the consultations were published in a report to the Minister which was publicly released in May, 1987.

A Canada-U.S. Free Trade Agreement was concluded in December 1987. The Branch's priority work for the first part of 1988 involved assessing the agreement from the perspective of provincial interests and objectives. The Ministry reported to Cabinet on this assessment and received further direction on the development of a free trade work program for 1988/89. The Branch's impact assessment study has since been published ("The Free Trade Agreement - Impact on British Columbia" - June 1988). The Branch also developed a program aimed at enhancing the knowledge of individual companies on the impact of the Agreement at the company level. This program was set for full implementation in the Spring of 1989.

Multilateral Trade Negotiations

The Trade Policy Branch was also responsible for the coordination of British Columbia's participation in the development of Canadian positions for the Uruguay Round of the GATT multilateral trade negotiations. This required that branch officials represented British Columbia interests at federal/provincial meetings.

Work in this area will increase as the round progresses. The primary objectives of the "Uruguay Round" include the halt and reversal of the spread

of protectionism, the development of a more open, viable and durable multilateral trading system and the reduction of tariff and non-tariff barriers to trade.

Enhancing Trade Capabilities and Potential

The Branch also continued its work throughout the year on developing existing and alternate strategies to enhance export capabilities in the Province. An evaluation of existing export marketing and financial assistance and export education programs was also undertaken.

Acting on an initiative launched in the Speech from the Throne, the Branch coordinated an extensive study on trading houses in British Columbia. This study assessed the feasibility of establishing a network of privately-run trading corporations to market and sell British Columbia products and services around the world. The study involved extensive consultations with the private sector both during its preparation and after its release. (The Report was released for public discussion in October, 1987 and was positively received.) The Branch evaluated private sector reaction to the report and made suggestions about the implementation of the report's recommendations. The principal recommendation called for the establishment of an Export Strategy Centre to assist emerging exporters to develop effective export strategy skills and to obtain information about trade opportunities and trade facilitating agencies, such as trading houses.

The Branch continued its compilation and analyses of trade data and trends for British Columbia's major trading partners. Its "country profile" project was further advanced by the introduction of an improved public dissemination system for these materials through the Ministry's International Business Opportunities Network, which is a part of the B.C. Business Network.

Representing Trading Interests

The Branch furthered its work as the trade policy/law resource for the government by advising ministries on the trade implications of initiatives under consideration. To create a better understanding of the Branch's work in this regard, the Branch began to publish a regular bulletin ("The Trade Digest") for circulation to interested government officials. The Branch was active in offering assistance on several inquiries from the private sector on trade law matters. Notable in this context was its work in assisting two firms on anti-dumping trade cases (Western Canada Steel and Valley Leisure Products). The Branch also responded to many inquiries on Canadian and foreign trade legislation and practices.

The Branch represented the Province in negotiations aimed at reducing alcoholic beverages interprovincial trade barriers.

Technology and Services Branch

This Branch's objectives were to encourage development and growth in new and emerging areas of the economy. The Branch was responsible for economic analysis, policy development and sectoral planning for two of the Ministry's priority sectors, electronics and subsea technology, and for advanced technology and high level services industries.

The Branch came into being in the Spring, 1987 as the Strategic Planning Branch and was located in Victoria. Subsequent to the development of the Ministry Business Plan, the Branch was renamed to reflect its focus on technology and services and was relocated to Vancouver where the majority of these industries are located.

Subsea Sector

The Branch was instrumental in the establishment of the Marine Robotics Committee, a group with representatives from industry and universities active in the sector.

The industry felt strongly that this collaborative subsea engineering project – the world's first autonomous underwater robotic vehicle – was the critical element in fostering growth and promoting its capabilities in the international market. With that in mind, the Ministry has assisted in developing presentations and advising on funding and marketing strategy for the project.

Electronics Industries

An action plan was developed emphasizing business development, investment and international marketing for the electronics sector. The implementation of this sector plan has commenced.

The British Columbia information technology (electronics, communications, software) industry sector achieved $1 billion in sales in 1987 and, at its present rate of growth, has the potential to become British Columbia's second largest industry before 1995. An Electronics Industry Task Force was created to advise on strategies to maintain the industry's expansion momentum with initiatives that included:

- Attracting offshore companies with electronics-related work to locate in British Columbia;
- Developing greater networking and joint ventures within the British Columbia electronics industry and between the electronics and resource industries;
- Encouraging maintenance of British Columbia's world-class skill based in electronics and, flowing from this, encouraging entrepreneurial activity in the electronics field.

The Ministry also reviewed a number of proposals for investment and development in the sectors.

Services Sector

The Branch organized a presentation by Transmanche Link, the consortium responsible for the Channel Tunnel project, which is a joint undertaking by Britain and France, to brief British Columbia engineers on potential business opportunities.

The Branch worked closely with the Asia Pacific Initiative Advisory Commitee's Task Force on the Export of Service to prepare strategic plans to facilitate the export of architectural, engineering, educational, legal and cultural services to the Asia Pacific countries.

The development of an information and statistical database was initiated within the Branch. This database will address the need for timely, comprehensive information and data on the large and growing service sector.

Advanced Technology

The Branch participated as a member of the Steering Committee created by the Science Council of British Columbia to direct its Strategic Planning for Applied Research and Knowledge (SPARK) initiative. This initiative has resulted in a series of plans for increased development and application of technology in over ten sectors, including biotechnology, information technology, manufacturing, forestry, agriculture, health services, etc. The Branch also has participated in the development of a provincial science and technology policy by the Premier's Advisory Council on Science and Technology.

Staff also worked with the Discovery Foundation to develop a database of science and technology-related industrial activities in British Columbia.

Resources and Infrastructure Branch

The Branch provided economic analyses and advice on major economic development projects and developed policies and strategies for economic growth, with specific responsibility for the mining, smelting and refining, energy and petrochemicals, industrial chemicals and transportation sectors.

Asia Pacific Initiative

The Branch coordinated provincial activity and provided support to the Asia Pacific Initiative, which stems from a Canada-British Columbia Memorandum of Understanding to promote the development of British Columbia as a Pacific centre for trade, commerce and travel. The federal and provincial governments have each committed up to $1 million a year for three years in support of the Asia Pacific Initiative. The work of the Asia Pacific Initiative is led by an Advisory Committee which has established task forces in the following areas: transportation; international trade and finance; tourism; professional services; and cultural and social relationships.

The Asia Pacific Initiative has actively supported a number of proposals for enhancing British Columbia's role as a Pacific centre for trade, commerce and travel, including: the development of an electronic data interchange system for international freight moving through British Columbia; the establishment of an International Financial Centre in Vancouver; the staging of the Business and Environment Technical Conference and Trade Show in Vancouver in 1990; and the formation of the Canadian Environmental Industry Association.

Major Projects

The Branch pursued a number of industrial projects which were under consideration for British Columbia. Branch support included providing information and analysis to the developers and negotiating the terms of provincial support for the projects.

The Branch negotiated an agreement between the Province and British Columbia Forest Products' subsidiary Finlay Forest Industries, which led to a decision by the Company to proceed with a $212 million project at Mackenzie involving the construction of the Interior's first newsprint machine and modernization of existing sawmills. The Ministry facilitated the project by resolving a conflict between the water requirements of the Company and water levels in Lake Williston necessary for the future power generation needs of B.C. Hydro.

The Branch participated in analysis and negotiations which led to the decision by B.C. Hydro to integrate Stewart into its hydroelectric grid. This will provide Stewart with an adequate supply of competitively priced power to promote further industrial development in the area. The Silbank Premier-Big Missouri gold/silver project, 15 km north of Stewart, will be the first major resource customer when the power line is completed in 1989. A number of forest industry projects are also under consideration.

The Branch participated in analysis and negotiations which resulted in a financing agreement between the Province and Cassiar Mining Corporation that will extend the operation of the Company's mine in northwest British Columbia by at least ten years through development of the McDame deposit. This operation is essential to the survival of the community of Cassiar.

Opportunity Identification

The Branch coordinated a report entitled a Summary Report on Development Opportunities in the Fort Nelson Area. The report was released publicly and attracted a great deal of interest in northeast British Columbia.

The Branch undertook a study of the British Columbia cement industry. The report examined the

issues and prospects of the industry and provided recommendations for industry and government action to ensure the future health of this industry.

Publications

The Branch published on a quarterly basis an inventory of major projects proposed, planned or under construction in British Columbia. This publication has proven useful in assisting potential project suppliers to identify sales opportunities, as well as being of value in a wide range of planning activities.

The Branch also contributed substantially to the preparation of a number of government publications of an informational and promotional nature, including the British Columbia Financial and Economic Review, British Columbia Facts and Statistics and the British Columbia External Trade Report. Work commenced on a new edition of the British Columbia Regional Index incorporating the eight new Economic Development Regions.

Other Activities

The Branch coordinated provincial support for a proposal to establish a local airport authority to manage Vancouver International Airport. The report of the Airport Planning Group under the Asia Pacific Initiative (see below), which examined the feasibility of this concept, was released in 1988. This was followed shortly afterward by the establishment of the Vancouver International Airport Transition Advisory Association to assist in the negotiation of an agreement with Transport Canada.

The Branch monitored a number of Economic Plans which were put in place by the Critical Industries Commission. These included agreements that were successful in extending operations at the Bell Mine at Granisle, Brenda Mine at Peachland and Newmont Mine at Princeton.

The Branch participated in an update of the 1983 recommendations for compensation and other matters related to development of the B.C. Hydro Site C power project.

As a member of the Mine Development Steering Committee, the Branch participated in the evaluation of 27 proposals for mine development in British Columbia.

As a matter of the Coordinating Committee, the Branch participated in the evaluation of development proposals for the Squamish estuary and the ongoing process of designating specific areas for specific purposes ranging from conservation to industrial use.

Industrial Diversification and Strategy Branch

The primary objective of the Industrial Diversification and Strategy Branch was to identify and assess emerging economic development opportunities and to develop and advance strategies to promote diversity and growth in the provincial economy. The Branch also had sector responsibilities for forest industries.

Forest Industries

During the year, opportunity identification and interministry liaison work by the Branch helped facilitate a number of large pulp and paper expansions and greenfield mills. Capital expenditures for such announced projects are expected to exceed $2 billion over the next three years and result in close to 1,000 jobs at mill sites from Vancouver Island to the Peace River. In pursuing the government's objectives for higher value-added products, the Branch prepared the elements of a strategy to encourage further resource processing in the Province and laid the groundwork for a government/industry task force addressing the problems of value-added producers.

The Branch participated on the Forest Research and Development Task Force which was charged with the responsibility to review and make recommendations on province-wide government initiatives to encourage and facilitate world class levels of forest industry research. The Branch also represented the Ministry on the Federal-Provincial Forest Industries Development Committee, a national committee charged with the mandate to recommend government initiatives to facilitate the growth and diversification of the forest industries across Canada.

Federal-Provincial Economic Development Relations

The Branch acted as prime point of contact for the Ministry with the federal government on economic development policy matters. Under direction from Cabinet, a strategy for renegotiating certain financial sub-agreements under the ERDA was prepared and discussions were initiated with the federal government. In addition, a strategy was developed to maximize the benefits to British Columbia from the federal Western Diversification Initiative. The Branch also developed strategies for promoting British Columbia's interest to the federal government through the Canada-British Columbia Council of Ministers.

The Branch represented the provincial government on the federal-provincial task force on Regional Development Assessment and contributed to its report which was presented to the annual First Minister's Conference in November. The report sought to identify the direction regional development efforts should take in Canada over the next decade. With the establishment of the Ministers of State responsible for Regional Development, the Branch provided economic analysis and policy interpretation as required in support of initiatives brought forward from the Province's eight development regions.

In response to concerns raised by British Columbia at the First Minister's Conference, a study

was initiated to examine the extent and efforts of counterproductive interprovincial competition for investment. The Branch also acted as the provincial representative on the Interprovincial Trade Barriers Task Force, charged with the responsibility of preparing recommendations to the First Ministers on ways and means to reduce barriers to trade and investment within Canada.

Economic Policy and Analysis

In line with its responsibilities for economic policy, the Branch chaired an interministry task force to bring forward proposals for a new economic development strategy for consideration by Cabinet. The Branch was also responsible for the preparation of the Ministry of Economic Development's Strategic Plan, required as part of the government's long-term planning project.

The Branch also assessed a number of specific economic development policy issues, carried out a number of special studies and reports and published the 1986 British Columbia Industry Review.

The Branch acted as an "economic mediator" in the resolution of resource-use conflicts. As an example, a cost-benefit study involving sport fishing and logging was undertaken on behalf of the Ministry of Forests and Lands and the Ministry of Environment and Parks to help resolve issues of resource management. As well, input was provided on economic development issues related to negotiations for a national park on South Moresby Island.

Central Statistics Bureau

The Central Statistics Bureau is the central statistical agency of the British Columbia Government. Headed by the Provincial Statistician, it executes the Minister's responsibilities under the Statistics Act, including the provision of a wide range of statistical services to all ministries and statistical relations with other governments. The Bureau is responsible for collecting, analyzing, projecting and distributing statistical information respecting the economic, business and social characteristics of the Province and its people.

During 1987-88 it assisted ministries and agencies throughout the government in the interpretation and application of statistics in program management, policy development, economic analysis and the evaluation of major projects. In fulfilling this role, the Bureau created and maintained a range of quantitative tools from forecasting to economic impact simulation models.

B.C. Enterprise Centre

The opening of the B.C. Enterprise Centre in Vancouver in June, 1987 added a new dimension to the work of the Bureau. A statistical information dissemination service, directed primarily to business, was begun at the Centre and then expanded to meet rising demand. Formerly, data dissemination was conducted only out of Victoria and was chiefly a government service.

The B.C. Business Network, a resource that allows province-wide computer access to the Ministry's databases, is an integral part of Enterprise Centre. The Bureau put its B.C. Stats database on the Network during the year and planned to add at least three more databases in 1988-89.

Development Region Data

The government's program of decentralization and the creation of eight development regions required that the Bureau rework many of the Province's geo-statistical units. Considerable effort was spent during 1987-88 in formatting data and deriving new estimates by development region for the offices of Ministers of State, Ministry Regional Coordinators and the Premier's Office.

Small Business Database

The Small Business Database continued to be updated and expanded with the release of products that included: Small Business Profiles, 1985, for 34 kinds of business; Wage and Salary Earners, 1985; Small Business Facts; and other items. The Small Business Profiles, in particular, have proven very popular among the business community.

Population Statistics

The release of 1986 Census data by enumeration area allowed the Bureau to assess and review its small area population estimation model. Population estimates for client-specified small areas for 1987 were asked for by several government ministries for administrative purposes - Municipal Affairs, Health, Education and the Attorney General. Enumeration area data in machine-readable form from the 1986 Census were provided to the Royal Commission on Electoral Boundaries. Various demographic analyses and forecasts were completed during the year for a number of clients, including the Office of the Premier. Significant advances were made in the computer graphic presentation of demographic data and in the preparation of pictorial maps of client-defined areas.

Financial Models and Simulation Studies

The Discounted Cashflow Model, B.C. Input-Output and B.C. Econometric Simulation Model were maintained by the Bureau for government-wide use to assess the viability of major private sector initiatives and the effects of government incentives and to estimate the impacts on provincial revenues and the B.C. economy of changes in government programs or policies. About a dozen major projects were analyzed during the year, and economic impact studies were carried out for several ministries and agencies, e.g. the Input-Output Model was used to assist the Purchasing Commis-

sion in developing and applying the B.C. value-added criterion to public sector purchasing. In addition, specially developed models were used to examine such issues as provincial impacts of the Free Trade Agreement and the effects on B.C. of federal sales tax proposals.

During the year, a major revision of the B.C. Econometric Simulation Model was begun, partly at the request of Treasury Board. With the availability of new data, a revamping of the B.C. Input-Output Model is also planned.

Economic Accounts

B.C.'s Economic Accounts, critically important to all macroeconomic analysis of the Province, were improved and expanded during 1987-88. Some of the improvements included enhancement of quarterly data, better interprovincial and international trade estimates, more industry data and measure to advance the timeliness of quarterly estimates. Also work commenced on assessing the feasibility of developing regional indicators of economic activity.

Labour Market and Employment Statistics

In addition to the regular release of labour statistics about British Columbia, a number of projects were undertaken. Increases were made in the supply of small area statistics, e.g. a new database was created by Development Region from the administrative data of the Ministry of Social Services and Housing and employment indicators were produced by RCMP Detachment Area. A major study was carried out for the Premier's Office on the trends and characteristics of unemployment in British Columbia. Also during the year, statistics were provided and analyses conducted of other labour market concerns at the request of the Ministries of Advanced Education and Job Training and Labour and Consumer Services.

Publications and Data Dissemination

Publications produced by the Branch included the 1987 version of the British Columbia Manufacturers' Directory; the British Columbia External Trade Report, 1986; British Columbia Population Forecast, 1987-2011; British Columbia Facts and Statistics; the Directory of British Columbia Importers and Manufacturers' Agents, 1988; and the British Columbia Offshore Directory, 1988, a new publication undertaken in conjunction with the Ministry of Energy, Mines and Petroleum Resources. In addition to the above, the Bureau prepared many statistical releases describing the economy and people of British Columbia and answered thousands of requests for information and analytical advice.

Purchasing Commission

Purchasing Commission

The Purchasing Commission is the central procurement agency for the Government of British Columbia, responsible to the Legislative Assembly under the Purchasing Commission Act. During 1987/88, the Commission was responsible for providing supply management services to ministries and to two Crown Corporations – B.C. Buildings Corporation and B.C. Ferry Corporation. The services included procurement, supplier development, warehousing services and Crown assets disposal.

Supplier Development Branch

The Supplier Development Branch was responsible for the development, implementation and management of the Public Sector Purchasing Policy. Amendments to the Purchasing Commission Act provided the mandate to pursue economic and supplier development programs with the private sector by harnessing the more than $5 billion of purchasing power across B.C.'s public sector. There was also a new mandate to develop strategies to increase B.C.'s share of the $75 billion of public sector purchasing (i.e. other provinces and federal government spending) in Canada.

Branch supplier development officers worked directly with local and regional public bodies, suppliers and business associations to identify and implement new opportunities to supply goods and services to the B.C. public sector. The Purchasing Policy program also attracted existing and potential suppliers to B.C. by providing opportunities for national and international business as well as federal and other provincial agencies.

To ensure that public sector requirements translate into supply opportunities for B.C. businesses, the Branch undertook an active regional marketing and public information program – including trade shows, business seminars and use of print and electronic media. In addition, the Branch maintained regional offices in a number of locations across the Province.

The Branch provided senior Purchasing Commission officials with advice on policy and program options in relation to the implementation of the Public Sector Purchasing Policy, increasing the share of federal and other government procurement spending in B.C., federal/provincial relations and cooperative efforts with other provinces to reduce inter-provincial trade barriers.

Purchasing Branch

The Purchasing Branch received about 20,000 requisitions for goods and services required by Government ministries and certain Crown corporations. Approximately 15,000 purchase orders valued at $350 million were issued. The Branch monitored a further $150 million in purchasing delegated to areas of government with technical/special expertise and/or minor purchase requirements in local areas.

The Branch provided advice and expertise to its customers, other public sector agencies and suppliers. It conducted all of its operations to ensure "best value" is obtained for B.C. taxpayers.

Supply Management Services Branch

Through facilities in Victoria, Vancouver, Kamloops and Prince George the Supply Management Branch provided warehouse and asset disposal services to help reduce government's material costs and increase the B.C. content of goods and services required in government use.

The Branch stocked 2,000 warehouse items resulting in sales of $5 million, completed Crown assets disposal of $3 million and redistributed surplus assets involving new purchases valued at $1 million.

The Branch also provided common administrative support services to the Purchasing Commission. It managed computer operations and developed new systems applications to support Commission business objectives. It also provided financial management and central services including budget planning, expenditure and revenue reporting and administration of the Commission's Working Capital Account.

Commission Achievements During 1987/88

Economic Development Achievements

Commission supplier development initiatives fostered the identification and development of a number of exciting business opportunities in the province. The results have been increased jobs, investment, and export capabilities for B.C. firms. Some of the major initiatives included: Olivetti/Softwords joint marketing ventures and IBM now sourcing components in B.C.

Import Substitution successes included:

- B.C. manufactured trucks are now being used in various government activities;
- Reflective glass beads for highways centre-line paint are now being warehoused in the Province, and a new manufacturing facility is expected to be established in the near future;
- A number of B.C. sources have been found for office-related products. This import substitution initiative has the potential to add significant value to the secondary wood processing industry in B.C.;
- The B.C. content in processed food purchases is increasing significantly. (85 percent of all B.C. Ferry Corporation food is now sourced in the Province);
- Planning commenced for a major conference to showcase B.C. suppliers to the business community highlighting import substitution opportunities in the B.C. public and private sectors.

Federal/Provincial Achievements

The Purchasing Commission participated in three task forces established to address the use of procurement for economic and regional development purposes. The Purchasing Commission continued to negotiate for an increase in the amount of Federal procurement from B.C. suppliers.

The Commission led a B.C. negotiating panel to reduce interprovincial trade barriers and discriminatory practices in government procurement.

Continued cooperation as a result of the signing of a Memorandum of Understanding with Supply and Services Canada (S.S.C.) was evidenced through the establishment of a counselling booth at the Info Business Centre, joint participation at various trade shows throughout the Province, implementation of a pilot project where Federal departments can access a HELP desk for repair and maintenance of office equipment and the establishment of a one-year interchange agreement for a senior officer of SSC to work in the Purchasing Commission.

Regional Achievements

The value of regional purchase awards is increasing, due to an intensive campaign to develop regional suppliers, with a focus on including regional firms in provincial government tenders. In March 1988, 83 percent of the total $16.3 million of government purchase orders were placed with B.C. businesses. Of those purchases placed with B.C. business in March, over 50 percent ($6.8 million) were placed with firms outside of the Lower Mainland.

Large purchases were awarded via local dealers wherever possible, such as short-term car rentals, vehicle purchases for government, computer maintenance contracts, tire, and hardware supplies.

Cost Reduction Achievements

During the 1987/88 fiscal year, the Purchasing Commission negotiated cost-savings of almost $13 million dollars for its customers. Savings to government were therefore three times the Commission's annual budget of $4 million.

The Commission's HELP Desk, which manages the repair and maintenance of office equipment contracts for the public sector, saved its clients an estimated $3 million during the 1987/88 fiscal year.

The beginning of significant cost-savings to government occurred in 1987/88, with the establishment of an inter-ministry committee to study the consolidation of government warehousing. The Purchasing Commission took a lead role in the implementation of this initiative, and major cost efficient changes were planned for 1988/89.

Customer Service Achievements

The Commission provided on-line electronics Status of Requisition information to its customers in ministries and Crown corporations. Growing use of this service peaked at 3,000 inquiries during the month of March, saving 3.5 person-months of work during that month alone. Projections were for further growth of this service during the 1988/89 fiscal year.

The Purchasing Branch also instituted an "Enquiry Line" to ensure that all customers were well served when calling in to the Commission.

Government ministries have an increasing need to develop expertise in various areas of contracting. The Commission developed a "quick response" team to respond to ministries' needs in this regard, which provided a consulting service to ministries within three days of the initial phone call.

Customer Service has been identified as a major Commission Business Plan objective, and new initiatives related to pre-planning with ministries, increased productivity, customer cost reduction, communications, etc., were to be introduced during the next fiscal year.

Information
Systems
Group

Information Systems Group

During 1987/88, the Information Systems Group was a key component of Ministry service delivery. Commencing with the opening of the B.C. Enterprise Centre in June, 1987, several new computerized services were included in the one-stop-shopping business centre, including an international business opportunities system, various statistical information systems, an interactive video-disc training system for business planning and a touch-screen system for handling general business inquiries.

The strategic role of Information Systems in meeting Ministry's service targets was recognized by the formation of an Information Systems Division, providing support to the Victoria, Vancouver and Purchasing Commission Offices of the Ministry. This new organization undertook an aggresive program of both long and short-term planning and the definition of the Ministry's technology architecture.

As a part of this program, computers were installed in Ministry overseas offices. Several incompatible word processors were upgraded, new accounting and personnel systems were installed, the Purchasing Commission's minicomputer was expanded and the status of Purchase Requisitions made available through an on-line inquiry system. A Business Information System was developed for use by the general public and electronic mail was introduced to executive and management staff.

Recognizing the ability of computer systems to disseminate information quickly to all regions of the Province and to place B.C. businesses at a competitive advantage in world makets, the B.C. Business Network was introduced in March of 1988. This network brings information about national and international business opportunities, contracts, economic and demographic statistics and B.C. suppliers of goods and services to the business community.

Management Operations Division

Management Operations Division

The Management Operations Division directed the development and maintenance of management support systems to achieve optimum allocation of the Ministry's fiscal, physical, management information and human resources. It was divided into four functional areas: Financial Services; Personnel Services; Library Services; and Administration Services.

Financial Services Branch

The Financial Services Branch was responsible for developing and managing a comprehensive financial administration and management information system and for managing financial and accounting programs for purposes of asset and expenditure control.

Personnel Services Branch

The Personnel Services Branch was responsible for developing and coordinating a comprehensive personnel management program to ensure the enhancement and effective utilization of the Ministry's human resources. This included providing technical advice and assistance on recruitment and selection, labour relations, staff training and human resource planning.

Library Services Branch

The Library Services Branch was responsible for maintaining the inventory of appropriate economic resource material.

Administration Services Branch

The Branch provided technical and administrative support to the Ministry in the management and control of office space, vehicle pool furniture and equipment and records management.

Communications And Promotions Branch

Communications and Promotions Branch

The Branch was formed in March, 1987 to provide public relations services that support the objectives of the Ministry. The Branch's work involved the production of publications and audio-visual materials, the preparation of advertisements, speechwriting, the conduct of media relations, and the managing of events relating to trade shows, promotions and visiting trade missions.

A high level of activity throughout the year was driven by strong demand for services from the many branches of a large ministry. A total of 10 new publications were introduced and 39 were revised and reprinted. To assist industry to market products and services abroad, a bymonthly colour magazine, B.C. Enterprise, was published for circulation to foreign and local addresses and distribution through the Ministry's representative offices in Asia and Europe.

A domestic newsletter, Speaking of Business, was introduced as a means of giving recognition on Ministry programs.

Brochures were published on British Columbia's aerospace, subsea, electronics and apparel industries, and on prospects for potential business immigrants and the subject of free trade.

A corporate brochure presenting British Columbia's infrastructure, industries and prospects was revised and reissued.

Other publications included business development handbooks, which were reprinted more than once to meet demand at the B.C. Enterprise Centre and economic development centres province-wide, annual statistics reports, and brochures to promote programs such as venture capital, home-based business and export development.

In all, the Branch was responsible for a total of 52 separate publications for the ministry during the year.

A total of six videotapes were produced during the year and three more were being planned by year-end. "Our Place in the World", an overview of British Columbia and its industry infrastructure, profiles of British Columbia Aerospace, Subsea, Electronics, and Apparel Industries, and "There's Only One" (British Columbia), were used extensively to market the province's business attractions to out-of-province audiences.

A special generic slide show was developed for the visit of the King and Queen of Sweden, who headed a trade mission from that country, to serve as an overview of the province's investment attractions. This audio-visual, *British Columbia, Canada's Opportunity Province*, was put to general use as a briefing for other visiting missions.

Three more sectors, featuring Value-added Wood Products, Plastics and Computer Software were being planned at the end of the year.

The branch was responsible for organizing and implementing a number of major official events including a dinner attended by Her Majesty the Queen and Prince Philip during the Commonwelath Heads of Government Meeting in October, industry showcases at the Enterprise Centre, visiting trade mission presentations and Christmas on the Plaza.

The branch issued 125 news releases about Ministry programs, announcements of federal-provincial business incentive funding, Ministry information and trade-related news. A high number of public appearances by the Minister necessitated a constant flow of speaking and briefing notes.

At year end the branch was committed to planning and implementing the "Action for Enterprise" program in which the Ministry promoted its business and trade development program with shopping mall displays and seminar programs in four Interior centres: Prince George, Dawson Creek, Prince Rupert and Vernon.